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Role of the United Nations system in promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals

Report of the Secretary-General

Summary

The present report presents an overview of the activities carried out by the United Nations system in ensuring follow-up to the ministerial declaration adopted by the Economic and Social Council in 2012. The report highlights inter-agency collaborations that promote productive capacity, employment and decent work; reflections on the Millennium Development Goals and the post-2015 agenda; and considerations for enhanced partnerships and targeted interventions. The report makes a number of recommendations to enhance the role of the United Nations system in this area.

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I. Institutional background

1. In pursuance of Economic and Social Council decision 2008/29,[1] the 2013 coordination segment focuses on the role of the United Nations system in promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals.

2. Since the 1995 World Summit for Social Development, the importance of employment and decent work has been recognized as indispensable for economic growth, social cohesion and poverty eradication and thus an essential element of sustainable development. In the 2006 Economic and Social Council ministerial declaration[2] devoted to employment and decent work, the Council requested the United Nations system to support efforts to mainstream the goals of full and productive employment and decent work for all in their policies, programmes and activities. Subsequently, the 2007 Economic and Social Council coordination segment encouraged all relevant agencies of the United Nations system to collaborate in using, adopting and evaluating the application of the Toolkit for Mainstreaming Employment and Decent Work, previously endorsed by the United Nations System Chief Executives Board (CEB). The Economic and Social Council also emphasized the importance of a job-centred approach to recovery from the financial and economic crises through its resolution 2009/5 on the Global Jobs Pact.

3. Policy objectives related to productive capacity, employment and decent work are also enshrined in a number of other international agreements and commitments, including those adopted at the 2010 Millennium Development Goal Summit; the second United Nations Decade for the Eradication of Poverty; the Fourth United Nations Conference on Least Developed Countries; and the 2012 United Nations Conference on Sustainable Development. These affirmed full and productive employment and decent work as a central component of international and national policymaking essential for boosting productive capacity, eradicating poverty and achieving sustainable development.

4. The 2012 Economic and Social Council ministerial declaration[3] provides further impetus to the promotion of productive capacity, employment and decent work for all and calls for greater efforts at all levels to promote people-centred economic growth for poverty eradication and sustainable development; one that places employment and decent work at the centre of growth and development strategies. The Declaration includes a resolve to take urgent action to achieve sustainable development, which was closely linked with both job creation and efforts to eradicate poverty. The need to strengthen the productive capacity of developing countries, in particular the least developed countries, was also recognized.

[1] See E/2008/INF/2/Add.1.

[2] See A/61/3, para. 50.

[3] See E/HLS/2012/1.

II. Growth, employment and decent work: global outlook, challenges and prospects

5. Now, more than five years since the beginning of the financial crisis, the world economy is not yet on a stable and sustainable recovery path. After a rebound at the end of 2009 and 2010, growth faltered amid concerns about spillovers from lack of financial sector and sovereign debt sustainability, centred on European countries. In 2012, fears of sovereign bonds default or even the potential risk of break-up of the euro area currency union spread around the world, adding to a weakening outlook for growth in output and disposable incomes. High unemployment, continued deleveraging by firms and households, continued banking fragility, heightened sovereign risks, fiscal tightening and slower growth are still feeding on one another in early 2013.[4]

6. The economic difficulties of developed countries are spilling over to developing countries and economies in transition through weaker demand for their exports and heightened volatility in capital flows and commodity prices.[5] Short-term measures have seemingly mitigated market uncertainties, without completely eliminating them. Accordingly, the outlook for growth over the next 12 to 18 months is insufficient to generate sustainable momentum over the medium run.

7. On the back of this lost growth momentum, global unemployment has started to increase again. It is likely to reach almost 203 million job seekers this year and more than 210 million by the end of 2017.[4] At the same time, labour force participation is on the decline, as long-term job seekers become discouraged and potential participants prefer to continue education or stay out of the labour market altogether. This has resulted in some 67 million fewer jobs in the global economy than in 2007, which constitutes a jobs gap unlikely to be closed soon unless policies and prospects change drastically.

8. Young women and men are particularly hard hit by these developments. Youth unemployment has reached historic proportions in some countries, reaching over 50 per cent of the youth labour. According to the International Labour Organization (ILO), youth unemployment is expected to increase to 12.9 per cent by 2017, while the global unemployment rate is projected to be around 6 per cent by then. This has created the risk of a "lost generation", as valuable labour market experience and skills are not being achieved. Also, the headline number does not give the full picture, as many young people who do get hired have to accept precarious forms of employment or part-time work. These employment prospects underscore the urgency of continued collaboration and partnerships in this area.

III. Meeting the Millennium Development Goals

9. Over the past decade, developing countries have made significant progress towards the achievement of Goal 1, particularly in reducing extreme working poverty. The overall rate of extreme working poverty of all developing countries (at the $1.25 purchasing power parity level) declined from more than 32 per cent of total

[4] United Nations, *World Economic Situation and Prospects 2013* (United Nations publication, Sales No. E.12.II.C.2 and E/2012/72).

[5] See International Labour Organization, *Global Employment Trends 2013* (Geneva, 2013).

employment to barely above 15 per cent. Much of this progress is owed, however, to the improvements in living standards in a few large countries, most notably Brazil and China.

10. Despite progress in extreme working poverty, the working poor and workers in vulnerable employment suffer from a faltering world economy. Overall, one in every three workers in the world is living with their families below the $2 average poverty line. Nearly 8 out of 10 working poor at the $1.25 level live in rural areas, compared with 4 out of 10 non-poor workers. The bulk of these workers are employed in the agricultural sector and in own-account or unpaid family work.[6] They account for a large part of the population of developing countries and are particularly vulnerable to food insecurity, further economic shocks and the new poverty challenges associated with climate change and environmental degradation. Small-scale farmers and rural workers are also more likely to lack access to social protection and social services.

11. Over the last decades, the growth in wages has been slower than the labour productivity growth in most countries with available data. The widening gap between wage growth and labour productivity has led to a change in the distribution of income, with labour shares of national income decreasing and capital share increasing.[7]

12. Vulnerable employment, the sum of own-account and contributing family members, has gradually declined only over the past decade and remains very high, most notably in least developed economies with a rate of over 88 per cent of total employment. For working poverty to decline further, a more rapid transition from vulnerable employment to more productive and decent employment is essential. In this regard, social protection measures would be instrumental.

13. Most regions continue to experience very high employment-to-population rates that remain roughly at their 2002 levels. Much of this employment, however, is informal, interrupted by lengthy periods of unemployment or underemployment and without proper perspectives for skills development or the accumulation of social security entitlements. In many Latin American countries, for example, the existence of this dual economy has posed a challenge to transferring productivity gains to low-income workers and to ensuring social protection coverage.[8] Policies to induce formalization and enhancing productive capabilities are urgently needed.

14. High unemployment rates remain a concern in most developed countries.[9] While no improvement is expected in the unemployment rate in North America, labour markets in Europe have shown diverging performance. Unemployment rates improved in many of the Asian developing countries and in most countries in Latin America. However, a number of African and Western Asian countries continue to struggle with high unemployment rates.

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[6] See International Labour Organization, *Global Employment Trends 2012* (Geneva, 2012).

[7] See International Labour Organization, *Global Wage Report 2012/13: Wages and equitable growth* (New York, 2012).

[8] See Economic Commission for Latin America and the Caribbean, Structural change for equality: an integrated approach to development (Santiago, 2012).

[9] See United Nations, *World Economic Situation and Prospects* (New York, 2012).

Lessons learned for a future development agenda

15. Employment and decent work has emerged as a repeated and key concern in public consultations on the post-2015 framework.[10] Lack of decent jobs, jobless growth, absence of adequate social protection and persistent poverty and overall unemployment, particularly among young people, remain high on the agenda. Public consultations revealed a growing consensus that development policies must target employment creation specifically, and include strategies aimed at formalizing the informal sector, and developing social protection floors to guarantee minimum living conditions. The United Nations System Task Team on the Post-2015 United Nations Development Agenda has also identified the inadequate incorporation of employment and decent work as a weakness of the Millennium Development Goal framework.[11]

16. ILO and the United Nations Development Programme (UNDP) have jointly led global thematic consultations on "Growth, structural change and employment" for the post-2015 development framework. The consultations highlighted the potential impact of an increased focus on decent jobs not only as the primary source of sustainable livelihoods, but also of progress across the Millennium Development Goals as a whole. Key issues running through the discussions at the country and international levels include youth employment, informality of employment, marginalization of people in the labour markets, labour migration, social protection and policies for improving productive capacities in developing countries.

17. Reaching the target of full and productive employment and decent work for all (target 1.B of Goal 1) remains a significant challenge. Growing income inequality, much of it resulting from a diminishing share of wages in national income and increasing inequality within employment income, threatens social cohesion in many regions.

18. Lessons learned over the past decade suggest that policies for building productive capacity and achieving decent work are available. Even the poorest regions in East Asia, South-East Asia, the Pacific region, Latin America and the Caribbean have achieved pockets of success in quality employment generation and poverty reduction, especially through employment-intensive initiatives, small and medium-enterprise promotion, conditional cash transfers and other policy measures contained in the Global Jobs Pact.[12]

19. As the world looks beyond 2015 towards a new development agenda, countries must stay on track to make as much progress as possible by the target date, and the United Nations system should continue to be able to respond to the needs of Member States and help quantify challenges and progress. How employment structures and patterns change is an important determinant of the degree to which growth is pro-poor and on a sustainable path. Labour market information can help quantify the direction and pace of these fundamental characteristics of the development process.

20. Expanding national statistical collection services and monitoring development outcomes at the country level is essential for effective policymaking and

[10] See International Labour Organization, "Jobs and livelihoods at the heart of the post-2015 development agenda", ILO Concept Note N.1 on the post-2015 development agenda (2012).

[11] See United Nations System Task Team on the Post-2015 United Nations Development Agenda, "Realizing the Future We Want for All: Report to the Secretary-General" (New York, 2012).

[12] See International Labour Organization, "Recovering from the crisis: A Global Jobs Pact" (Geneva, 2009).

implementation. Measuring increases in the volume of decent jobs would require indicators of several dimensions of the quantity and quality of employment. Ideally, such indicators would also be disaggregated to ensure that progress is equitable across gender and generations. The Evidence and Data for Gender Equality Initiative, managed jointly by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the Statistics Division of the Department of Economic and Social Affairs, seeks to push existing efforts to have comparable gender indicators on education, employment and entrepreneurship and assets, and will develop a database for international data and metadata compilation in these fields. Improving rural labour statistics and evidence on the functioning of rural labour markets is of utmost importance. Improving the availability of data, the coordination of national statistical systems and mechanisms for reporting to international statistical agencies is under way, but continued and concentrated efforts are needed, supported by the United Nations system.

21. Efforts are also needed to build stronger partnerships around a policy agenda that targets job creation and productivity growth to reduce poverty and informality. This encompasses, among other elements, strengthening education and skill development tailored to available jobs, extending social protection coverage and access to health care, promoting private sector development, investing in infrastructure, encouraging structural diversification, promoting innovation for low carbon technologies, narrowing inequalities and upholding the rights of women and men, the young and the vulnerable in the rural and informal economies.

IV. Strengthening coordination and collaboration of United Nations activities in promoting productive capacity, employment and decent work

A. Strengthening social protection

22. The 2012 Economic and Social Council ministerial declaration stressed the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion, including those who are not employed in the formal economy. In this regard, the United Nations system was called on to support national Governments in their efforts to develop and expand social protection floors. Expansion of social protection floors, with consideration for fiscal sustainability, has an important role to play in achieving further gains against poverty and supporting aggregate demand. Since the implementation of social protection floors transcends the mandate of any individual United Nations agency, the United Nations system has been responding coherently and in a coordinated way to country requests to support them in developing and expanding social protection floors. Under the joint leadership of ILO and the World Health Organization (WHO), the Social Protection Floor Initiative has made significant progress in gathering partnerships within and beyond the United Nations system.

23. The Social Protection Inter-Agency Cooperation Board, chaired jointly by ILO and the World Bank, was created to implement the Social Protection Floor Initiative.

Participating agencies[13] committed to join forces on social protection data harmonization, knowledge-sharing and capacity-building, global coordination, research and advocacy and international cooperation in country demand-driven actions by developing common assessment tools. In 2012, UNDP led the development of a knowledge-sharing online platform for social protection to provide an entryway to the knowledge and information produced in agencies and organizations doing work on social protection.

24. Country-level support to countries requesting assistance on social protection is being organized through ILO-led United Nations Social Protection Floor Initiative[14] joint teams in Indonesia, Jordan, Mozambique, Thailand and Zambia. To support Governments in developing a holistic and coherent social protection system, the joint teams applied the Assessment Based National Dialogue process, which aims to review and assess social protection provisions based on the ILO Social Protection Floors Recommendation, 2012 (No. 202); identify policy gaps and implementation issues; provide recommendations for the improvement of social protection strategies by identifying priority areas for Government intervention; and estimate the cost and fiscal implications of closing the gaps and introducing new social protection schemes or expanding existing ones with a view to rationalize and optimize the use of public resources.

B. Integrated environmental policies

25. The transition towards environmentally sustainable development is an area where greater coherence in policymaking can help facilitate growth by encouraging investment, the creation of new jobs and the upgrading of existing jobs. The outcome of the 2012 Conference on Sustainable Development marked a key evolution in the relationship between environmental policies, the world of work and social development. The 2012 Economic and Social Council ministerial declaration acknowledged the need to further mainstream environmentally sustainable development at all levels. A transition to a green economy requires sustainable production and consumption patterns; these will trigger modifications to practices in most enterprises and workplaces and changes in cross-sectoral composition of employment. The shift needs to create not only the incentives for enterprises to invest, but also the capability for them to adopt new modes of production. Moving to a more environmentally sustainable economy can reinforce good labour market and social development outcomes, including poverty alleviation. But this is not automatic. It will hinge on the right policies, including on required skills training for a smooth and equal transition to a green economy, and on institutions capable of implementing them.

26. Employment and social considerations of environmental policy are being elaborated by United Nations agencies in the CEB working group on climate change. ILO, WHO and the Department of Economic and Social Affairs are co-convening a task team on the social dimensions of climate change, with the participation of 16 agencies. The aim is to highlight various aspects related to climate change such as labour, health, gender, migration, social protection and human rights. ILO,

[13] Social Protection Inter-Agency Cooperation Board meetings were attended by 16 international organizations, 11 bilateral institutions and 5 international NGOs.

[14] United Nations agencies at the country level that are working on social protection and that agreed to combine their efforts.

together with the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO), are increasing support to member countries, for example, through the Green Economy Advisory Services, by raising awareness and capacity-building, assistance with mapping and quantifying environmentally sustainable job opportunities and challenges and with designing and implementing policies in priority sectors. These efforts have been underpinned by knowledge generation and testing of approaches.

27. For example, the joint UNEP/UNDP Poverty-Environment Initiative has supported the integration of social, economic and environmental objectives into national development policies in 18 countries, and has promoted environmentally based activities that create jobs and facilitate transition to formality, for example, in the case of waste management in Uruguay. The Food and Agriculture Organization of the United Nations (FAO) and ILO are also collaborating in the area of green jobs creation in sustainable micro, small and medium enterprises operating in the Zambian building industry.

C. Enhancing sectoral policy coordination

28. The 2012 ministerial declaration reiterates the importance of developing coherent policies that are employment and entrepreneurship-friendly. Policies promoting structural change, typically initiating improvements in agricultural productivity, supporting industrial development and shifting into higher value-added service sectors have contributed to poverty reduction in some countries in recent decades.[15] Sectoral strategies, including in the areas of agriculture and food security, education, health, tourism, water and fisheries, should equip workers to improve productivity, start their own businesses and take up employment opportunities in other sectors. Enhancing economic opportunities and improving working conditions while increasing the employment intensity of growth requires action across a range of sectors.

29. Stronger United Nations programming and coordination to achieve synergies and build on the sectoral work of the various United Nations agencies, funds and programmes can maximize the potential of such sectors in terms of employment generation and quality of jobs. Several United Nations initiatives demonstrate the potential of sectoral policies in generating employment and promoting decent work. For example, the World Food Programme (WFP) uses food assistance to build and rehabilitate livelihood assets, which reach between 15 million and 20 million beneficiaries annually. The United Nations World Tourism Organization has partnered with other United Nations organizations in the Steering Committee on Tourism for Development to promote sustainable tourism for job creation and poverty eradication. FAO, in collaboration with ILO and partnering with relevant line ministries at the country level, is working in Malawi and the United Republic of Tanzania to strengthen the enabling environment for the promotion of decent rural employment. The intervention places particular attention to improve the policy dialogue between agricultural and labour stakeholders. It also includes support on youth employment and child labour.

[15] See Irmgard Nübler, Industrial policies and capabilities for catching up: Frameworks and paradigms (International Labour Organization, 2011).

D. Trade and productive capacity

30. The ministerial declaration recognized the need to strengthen the productive capacity of developing countries, in particular least developed countries, and reaffirmed the role of international trade as an engine for development and sustained economic growth. A major challenge faced by developing countries has been moving up value chains towards the export of processed goods both to developed country markets and to new, emerging markets arising from a sustained growth in the purchasing power of middle-income countries. Comprehensive policies aimed at attracting foreign direct investment into value chain creation and diversification and encouraging investors to incorporate small and medium enterprises into their supply chains are clearly needed. The International Trade Centre (ITC) has supported national trade policy in this regard in two ways: through evidence-based business advocacy and through capacity-building of trade support institutions and small and medium enterprise exporters. At the next World Export Development Forum (2013), ITC will bring together public and private sector stakeholders to foster small and medium enterprises integration into global value chains.

31. The World Trade Organization (WTO) global initiative on aid for trade is, among other goals, geared towards helping countries build their productive capacities. In this respect, it is an instrument that positions the enhancement of national productive capacities as a key mechanism for promoting economic growth and poverty alleviation. Its main objective is to enhance the supply-side capacity of developing countries to allow them to take advantage of the market access opportunities. It is implemented in close cooperation with a number of global and regional United Nations organizations[16] and has important pledges by countries, including Group of 20 (G-20) members. The WTO Third Global Review of Aid for Trade showed that aid for trade is working and contributing to grassroots-level development and poverty alleviation. The upcoming Fourth Global Review of Aid for Trade (July 2013) will examine strategies to connect developing country and least developed country firms to global and regional value chains, assess how they can be helped in moving up the value chain and discuss the associated development benefits in the context of the debate about the post-2015 development agenda.

E. Foundations for sustainable development: human rights treaties, international labour standards, supportive national legislation

32. The 2012 ministerial declaration reaffirmed the commitment of Member States to promote opportunities for full, freely chosen and productive employment and decent work for all, with full respect for fundamental principles and rights at work under conditions of non-discrimination, equity, equality, security and dignity. Respect for the fundamental principles and rights at work, both as human rights and as an enabling condition for the creation of decent jobs, play a key role in linking economic growth and sustainable enterprises and social progress.[17] International

[16] These include UNCTAD, UNDP, Economic Commission for Africa, UNIDO, World Bank, International Monetary Fund (IMF), World Customs Organization, Organization for Economic Cooperation and Development, ITC, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, Islamic Development Bank.

[17] See conclusions adopted by the International Labour Conference on 13 June 2012.

labour standards provide a normative guide for coherent policies to ensure that economic growth is translated into improvements in the quantity and quality of jobs, in working conditions, skills development, social protection, gender equality and effective tripartite social dialogue.

33. A number of international labour conventions and recommendations, in addition to the fundamental conventions contained in the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up (1998), serve as drivers for social and economic development. National social protection floors[18] are critical to the achievement of the internationally agreed development goals and Millennium Development Goals and should be so for the post-2015 development agenda. ILO conventions dealing with wages[19] can reduce poverty and inequity, increase demand and contribute to economic stability. In addition to the international labour conventions and recommendations, human rights treaties, mechanisms and instruments have also addressed the issue of productive employment and decent work for all. While these conventions are important to set the framework, it is also necessary to work on the right implementation arrangements, including a mechanism to reach the informal sector, and build institutional capacity to monitor and enforce regulations.

F. Active labour market policies

34. Active labour market policies, such as direct job creation and training, can make an important difference to the way labour markets function, enabling a better matching of employment opportunities and workers' capabilities and thus the sustainability of development. Employment guarantee schemes, for example, not only provide the income and social protection for the most vulnerable and casual workers, but are important stepping stones for skills development, preventing skills losses owing to long-term unemployment and more permanent integration into labour markets, especially in rural areas. They help revitalize local economies, as is evident from UNDP programming in target countries (for example, in Burundi, Myanmar and Somalia).

35. Appropriate support to self-employment and entrepreneurship among youth and in particular women has become an important means of transforming the sources of livelihoods for millions into sustainable businesses and enterprises in the economy, with increased access to domestic and external markets. The fusion between informal apprenticeship systems with formal training systems and certification is showing promising results in a number of least developed countries in West Africa, for example.

36. Significant decent work deficits in rural areas remain a major concern. Given the nexus between food security and decent work, greater attention is needed for policies that support investment and productivity in agriculture and the rural non-farm economy, as well as the urban informal economy, and facilitate a gradual transition to formality. In recent years there have been many innovations in public employment programmes yielding lessons of good practice for enhanced partnerships at the global level. FAO, the International Fund for Agricultural Development (IFAD) and ILO have strengthened coordination among international and national actors for

[18] See the National Social Protection Floors Recommendation, 2012 (No. 202), and the Social Security (Minimum Standards) Convention, 1952 (No. 102).

[19] See the Protection of Wages Convention, 1949 (No. 95), and the Minimum Wage Fixing Convention, 1970 (No. 131).

unleashing rural development through employment and decent work. With FAO and IFAD, UNIDO has launched the Accelerated Agribusiness and Agro-industries Development Initiative aimed at enhancing the productivity and profitability of agribusinesses, especially in Africa. FAO and ILO are also actively collaborating on preventing child labour in agriculture within the International Partnership for Cooperation on Child Labour in Agriculture. In turn, the United Nations Human Settlements Programme (UN-Habitat) is working with cities to implement innovative policies that promote the productivity of the informal sector.

37. A greater focus on adequate education and skills for employment creation is needed to address the mismatch between education and available jobs, and to increase innovation and adopt new technologies in order to achieve inclusive growth. A workforce that has been appropriately trained and is able to continue learning is also paramount for boosting investor confidence and thus job growth. In this regard, universities and technical institutes play a key role in linking workers and enterprises. Through the Inter-Agency Group on Technical and Vocational Education and Training, ILO, the United Nations Educational, Scientific and Cultural Organization (UNESCO), regional organizations and development banks are working to improve the coherence of policy advice and technical assistance provided to developing countries. Recommendations developed by the Inter-Agency Group on Technical and Vocational Education and Training working group summarize the types of labour market and skills development policies necessary to maximize the job-creation potential of sustainable growth while minimizing labour market adjustment costs.

38. Other United Nations agencies have also been active in fostering skills development. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), in partnership with UNESCO and the European Computer Driving Licence Foundation, has been offering international computer driving licence courses to 3,000 vocational training centre students and youth annually. Through its technical and vocational education and testing initiatives in many countries, UNDP has a proven track record in helping countries bridge the gap between demand for and supply of labour.

39. Active labour market programmes can indeed facilitate transitions into wage or self-employment, provided that they are well designed and implemented. Rigorous evaluation of alternative interventions (training, intermediation, job search assistance, wage subsidies, public work and services, support to entrepreneurship) are needed to identify which interventions work in certain contexts and what the key elements are in terms of design and implementation.

40. While services are becoming more and more important in employment creation, industry provides the foundation for entrepreneurship, promotes business investment, fosters technological upgrading and dynamism, improves human skills and creates jobs. It is therefore the principal source of employment creation and income generation. UNIDO, with its mandate to promote inclusive and sustainable industrial development, supports several successful entrepreneurship development programmes.

G. Improving prospects for youth employment

41. The global recession has exacerbated the pre-existing crisis that affected the employment prospects of young people and their transition to decent work. The

global jobs crisis has resulted in increased vulnerability for young people in terms of: (a) higher unemployment; (b) lower quality of jobs for those who find work; (c) greater labour market inequalities among different groups of young people; (d) longer and more insecure school-to-work transitions; and (e) increased detachment from the labour market. The 2012 ministerial declaration recognizes the need to improve opportunities for young people to gain access to productive employment and decent work, and calls on the United Nations system to strengthen the youth focus of programmes on employment.

42. The United Nations system has displayed its commitment to foster coherence of policies in promoting productive capacity, employment and decent work for young women and men. The resolution "The youth employment crisis: A call for action", adopted in June 2012 by the International Labour Conference at its 101st session, contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.[20] The United Nations Chief Executives Board has recently endorsed a system-wide action plan on youth, with youth employment and entrepreneurship as one of the main priorities. UN-Habitat supports the design and implementation of innovative youth economic empowerment models. One of them is setting up One Stop Youth Centres in cities and another is providing small-scale grants to promising urban youth projects to promote youth access to entrepreneurship, incomes and livelihoods.

Box 1

The Millennium Development Goals Achievement Fund: Improving coordination and coherence on youth employment through joint United Nations programming

Implementation of joint United Nations programmes on youth employment and migration are being led by ILO, together with 15 United Nations country teams. Sponsored by the Millennium Development Goal Achievement Fund of Spain, this joint programming has resulted in more integrated and mutually supportive approaches that operationalize national youth employment priorities within the overall decent work concept. These 15 joint programmes span across the four pillars of the decent work agenda, from rights at work to integrated youth employment initiatives, conditions of work, labour migration policies and protection of migrant workers. Examples include initiatives to: (a) promote rights at work, especially for migrant young workers; (b) support Member States in the formulation of gender-sensitive youth employment policies and national or regional action plans; (c) pilot and evaluate innovative and multi-component youth employment programmes; and (d) develop national partnerships involving the social partners and other actors. Other joint programmes on decent work for youth have recently been implemented by ILO in partnership with FAO (Nepal), the United Nations Children's Fund (UNICEF) (Somalia), UNDP (Serbia, Lebanon, Liberia and Sierra Leone) and UNIDO (Mano River Union countries).

[20] The call for action will also be discussed in the General Assembly and the Economic and Social Council; see A/67/796-E/2013/12.

H. Increasing women's participation in employment

43. The 2012 ministerial declaration emphasizes the importance of promoting and protecting the rights of women workers, removing structural and legal barriers, and eliminating stereotypical attitudes, as well as promoting equal pay for work of equal value. Despite increases in the participation of women in the labour force, the global female-to-male employment ratio remains 66:100. Massive gender gaps in employment rates remain in South Asia, as well as in the Middle East and North Africa. Throughout the formal sector, women tend to be segmented into lower status jobs and are particularly susceptible to job loss. They are also overrepresented in the informal work sector. Women's access to and participation in the labour market are constrained by gender-based occupational and sectoral segregation, gender wage gaps, limited control over assets and the disproportionate burden of unpaid work.[21] Gender inequalities are particularly acute in rural areas.

44. Joint initiatives and partnerships promoting productive employment and decent work, therefore, need to take a comprehensive approach that addresses these constraints faced by women. To this end, ILO and UNICEF are advocating an integrated social policy framework to address the needs of working parents and families with a focus on the provision of quality childcare as a key component for achieving decent work and sustainable development.

45. The partnership of UN-Women and the United Nations Global Compact on the Women's Empowerment Principles is engaging the private sector to advocate for the full integration of gender equality and women's empowerment into corporate sustainability policies, practices and initiatives. A United Nations joint programme in Ethiopia (UN-Women, United Nations Population Fund (UNFPA), UNDP, UNICEF, UNESCO and ILO) addressed women's education and economic empowerment, trained 6,000 women in business development and extended credit services to another 8,000 women to start businesses. The ITC Global Platform for Action on Sourcing from Women Vendors, in partnership with the private sector, Governments and institutions, focuses on increasing the share of procurement from women vendors.

I. Conflicts and disasters: decent work for prevention and reconstruction

46. Conflicts and disasters affect human security and undermine development achievements, damaging productive capacity, diverting resources and distorting the decisions of economic agents with detrimental effect on economic prospects and employment opportunities. Post-conflict and post-disaster situations require a careful balance of short-term (urgent needs of the population) and longer-term developmental considerations in designing policy responses. Strategies for decent work can help prevent conflict and disaster and speed recovery. Productive jobs, social protections, human and labour rights, social dialogue through an effective tripartite approach represent a powerful strategy for socioeconomic reconstruction, social inclusion and peacebuilding among communities and nations.

47. The United Nations Policy on Post-Conflict Employment, Income Generation and Reintegration, elaborated under the leadership of ILO and UNDP, offers

[21] See International Labour Organization, *Global Employment Trends for Women* (Geneva, 2012).

practical examples of programmatic coherence through the three-track approach of concurrent measures aimed at stabilization, local economic recovery and sustainable decent work. In the aftermath of the earthquake in Haiti, UNDP helped generate 1.296 million workdays through emergency public employment benefiting 64,800 workers. Also, the project Promoting Civic Values and Life Skills for Adolescents through Education in Iraq, which brought together UNESCO, UNFPA, the Economic and Social Commission for Western Asia (ESCWA) and local authorities, resulted in poverty reduction and employment generation through increased quality of education, skills development and employability for youth. In a number of countries, UNIDO has assisted displaced persons of all ages, through vocational training centres and creating industries or upgrading village-based industries that in turn contribute to social cohesion and reconciliation.

J. Policy coherence for sustained, inclusive and equitable economic growth

48. The 2012 ministerial declaration called for support to continued efforts to put productive employment at the heart of actions to restore growth and promote a job-rich recovery at all levels, including through sustained, inclusive and equitable economic growth, by reinforcing cooperation and coherence in this area within the United Nations system and together with the international financial institutions. Effective poverty reduction policies and strategies must be designed and coordinated so that the poor can take advantage of the employment opportunities generated by growth, overcome income poverty and insecurity and exercise their rights.

49. The need to connect more effectively employment and social to fiscal and monetary policies is becoming more urgent, as the effects of weakened labour markets feedback back into growth which then further add to pressures on jobs and wages. As noted in a recent IMF paper, while there is no "one size fits all" growth strategy, macroeconomic stability is an essential foundation.[22] Macroeconomic policies that promote a recovery in growth, together with complementary structural policies, can be effective tools to boost employment in many countries. For example, taxation and spending policies that are as growth and job-friendly as possible can contribute to better employment and social outcomes. The high degree of economic interdependence, especially with regard to financial markets, makes it increasingly important that national policy shifts are internationally coordinated both to avoid risks and to increase the positive impact of more growth-oriented policy stances. The international community is increasingly acknowledging the need to coordinate financial and economic policies at the international level to safeguard global financial stability. These issues have figured prominently in successive issues of the United Nations World Economic Situation and Prospects reports and the regular dialogue sessions between the Economic and Social Council and the international financial institutions.

50. The economic and social dimensions can be linked through coordinated efforts by creating national development boards where the social and economic policies at the national level can be debated and implemented. This could be done whereby the Government brings its social and economic partners, including the private sector,

[22] International Monetary Fund, "Jobs and Growth: Analytical and Operational Considerations for the Fund" (Washington, D.C., 2012).

workers' representative and civil society organizations, into the policymaking process at the national level. This is done in many countries, such as Brazil, Denmark, Germany, India and South Africa. The United Nations system, in particular the regional commissions and specialized agencies, such as ILO, can provide a platform for the sharing of experiences and information on the institutional framework.

K. Strengthening national development strategies

51. Poverty reduction and Millennium Development Goal-based national strategies, supported by UNDP and other United Nations entities, in a number of countries place productive employment at the centre of social and economic policies.[23] ILO and its tripartite constituents have worked with policymakers at the national level in the design, the implementation and the monitoring of such strategies. The increased engagement of ministries of employment and labour, employers' and workers' organizations has helped integrate productive employment, enterprise development and social protection and key principles of rights at work, into national development strategies.

52. The ILO Decent Work Country Programmes are a main vehicle by which national priorities and international commitments are blended into operational policies and programmes. The programmes have been integrated into more than 85 United Nations Development Assistance Frameworks (UNDAF). The mainstreaming of the objectives of full and productive employment and decent work into increasingly holistic United Nations support to national programmes has progressed significantly in recent years.

53. An environment that promotes employment and decent work is essential to efforts to raise living standards and overcome the jobs crisis, and Governments have a key role to play in ensuring that public policy is oriented towards such aims. Investment choices need to be evaluated in terms of their impact on employment and standards of living; employment-intensive strategies are in general to be preferred to capital-intensive methods and often prove to be more economically and environmentally sustainable in the development context.

V. Strengthening financing and partnerships for employment and decent work

54. Development cooperation in support of decent work has evolved considerably since the 1990s, where employment was largely viewed as a natural outcome of economic growth. Employment policies attracted little practical support despite their prominence in the internationally agreed development goals. Over the last seven years, social sectors absorbed more than half of the aid flows, whereas the productive sectors and economic infrastructure received much less support.

55. In order to meet the current jobs challenge in the coming decade, donors and development partners will need to include clear targets for development initiatives that explicitly embody employment goals, rather than regard employment as a

[23] See International Labour Organization, A rapid impact assessment of the global economic crisis on Liberia (Geneva, 2009), and E/2011/82.

by-product of growth. This applies to partners of all types: traditional donors with their own well-defined development agendas, emerging partners in the Global South, private sector donors engaging in public-private partnerships, development banks and the growing body of domestic sources of financing for development and the regular budgets of United Nations entities.

56. An important source of funding that could help breach the funding gap related to decent work are public-private initiatives. These build partnerships in which the public sector establishes the regulatory framework and enabling environment for growth by setting sound macroeconomic policies and providing public goods such as infrastructure, health care and education, and support for science and technology. In turn, the private sector plays a critical role in generating employment, raising incomes and increasing productivity. Public and private investments when well designed tend to be complementary, not rivals or substitutes; and the United Nations system provides the perfect venue to forge increased partnerships. Through public-private partnerships, United Nations organizations can leverage their expertise and contributions with those of private and public actors. With its tripartite organization, ILO is particularly well positioned to be a strong partner for the private sector.

57. At the country level, partnerships for decent and productive work across the multilateral system are prioritized in the UNDAFs. These priorities are often made operational through joint programmes developed by United Nations country teams. The recent practice of joint United Nations programming has also served as a platform for establishing partnerships within the United Nations and between national institutions and partners and the United Nations country teams around youth employment. The youth employment and migration window of the Achievement Fund of the Millennium Development Goals has encouraged progress towards more integrated and mutually supportive approaches that operationalize national youth employment priorities within the overall decent work concept. Another example is the FAO integrated model for rural youth employment creation, which has been piloted in collaboration with the private and public sectors in the United Republic of Tanzania through a project funded by the Swedish International Development Agency on policy support on rural employment and decent work towards equitable and sustainable livelihood.

58. South-South cooperation has proven to be instrumental for the advancement of the decent work agenda. The Government of China recently signed a partnership agreement with ILO to promote technical cooperation with a focus on South-South initiatives. India, Brazil and South Africa signed a joint declaration to reaffirm their commitment to South-South and triangular cooperation and the decent work agenda. Moreover, a tripartite working group on decent work of India, Brazil and South Africa was set up to promote exchanges in the area of decent work and South-South cooperation initiatives and to foster dialogue between the Governments of India, Brazil and South Africa, workers and employers. In addition, several projects involving South-South and triangular cooperation arrangements have been supported to address issues such as child labour, social security, employment intensive investments and capacity-building of constituents.

VI. Lessons learned on mainstreaming decent work

59. As the present report has shown, promoting decent work within a sustainable development framework is a high political priority around the world. The United Nations system, with ILO as lead agency, has responded by endeavouring to mainstream the goal of decent work in its support to countries and across a wide range of policy domains. Over 70 countries[24] have made decent work a national priority in their development agenda. Some 14 international organizations have used the Toolkit for Mainstreaming Employment and Decent Work to determine how their policies and strategies in their thematic areas relate to employment and decent work outcomes. By its nature, assessing progress made in mainstreaming decent work among agencies, funds and programmes is a complex exercise.

Box 2
Decent Work Programme in the United Republic of Tanzania

As part of the drive to achieve the Millennium Development Goals by the target date of 2015, a number of countries are stepping up action to promote decent work with the support of ILO and as part of the United Nations Millennium Development Goal Acceleration Framework.

In the United Republic of Tanzania the focus is on organizing small-scale farmers into associations and cooperatives to achieve economies of scale and enable them to access agriculture inputs and implement capacity-building activities to provide affordable and quality services; rehabilitating and developing sustainable small-scale irrigation schemes; stimulating demand for business development services; and promoting awareness, through farmer organizations, cooperatives and agricultural service centres, of post-harvest management techniques, including packaging, storage and transportation, and of quality and standards issues, including grading and packaging.

Joint United Nations agency actions in the United Republic of Tanzania in the run-up to 2015 include ILO and United Nations collaboration to promote implementation of the ILO Domestic Workers Convention (No. 189); an ILO and FAO partnership to enable key national institutions to enhance evidence-based pro-poor economic development policies and strategies; ILO and UNESCO assistance on a Government review of technical and vocational training policy; ILO, UNIDO and UNESCO collaboration in implementing entrepreneurship education in the education system; ILO and FAO are assisting the Ministry of Labour and Employment to develop the National Youth Employment Creation Programme; UNIDO, ILO, ITC, UNCTAD and UNDP together support the Ministry of Industry and Trade in strengthening backward and forward linkages in the agriculture and tourism industry.

[24] The full list of countries and application by region is available from www.ilo.org/public/english/bureau/program/dwcp/countries/index.htm.

60. Mainstreaming should situate decent work issues at the centre of analyses and policy decisions, medium-term plans, programme budgets and institutional structures and processes. This requires explicit, systematic attention to relevant decent work perspectives in all areas of work of the United Nations. In the Middle Eastern region, the ILO decent work country programmes in Bahrain, Jordan, Oman and Yemen focus on employment and work conditions within a broader systems' perspective on social protection, skills enhancement and social dialogue. ESCWA and ILO currently assist the Government of Yemen to examine its public works programme from a rights-based perspective. In the United Republic of Tanzania, the joint programme under UNDAF has enabled the creation of some 3,000 jobs in the Mtwara and Lindi regions.

61. A number of other persistent constraints remain, including inadequate understanding of the linkages between decent work and the impact on different policy areas addressed in other sectors of United Nations programming, as well as resource constraints to address decent work shortcomings once identified. Strategies have been put in place to address such constraints, including fact sheets on various employment policies, briefing notes on the linkages between decent work and different sectors, including through the Toolkit for Mainstreaming Employment and Decent Work.

62. In order to make well-informed decisions on how to expand the employment intensity of programming, an evaluation and assessment of current programming may be needed. An evaluation on mainstreaming decent work in the United Nations system could better identify comparative advantages and existing work, introducing, where possible, areas of existing research and knowledge-management networks, building synergies with ongoing or planned technical cooperation and complementing related capacity-building activities within the broad United Nations system. The evaluation could also review the extent to which existing knowledge-management networks enhance cooperation and coordination among the United Nations system entities. One example of such a network is the Jobs Knowledge Platform, managed by the World Bank in collaboration with partner organizations, which aims to share insights and build synergies across different approaches, sectors and disciplines; create a community to exchange challenges and solutions; and inform important policy debates.

VII. Conclusions and recommendations

63. **Promoting productive capacity, employment and decent work has proven to be a valuable and effective basis for United Nations system-wide coordination because of its cross-cutting policy domains and adaptability to national, local and sectoral circumstances. Its recognition as a global goal of universal relevance also represents the political commitment to encourage greater coordination.**

64. **The stocktaking contained in this report shows that the system has responded enthusiastically to the call for mainstreaming decent work. Nevertheless, a more integrated approach could better link the wide array of relevant policy and programming areas related to employment generation and decent work. A mapping exercise could help identify comparative advantages of United Nations entities and existing work. Looking ahead, increased labour market information is essential to the assessment of progress as well as**

evidence-based research. Extending and coordinating knowledge-management networks, building synergies with ongoing or planned technical cooperation and complementing related capacity-building activities are further areas for attention.

65. **To further enhance the role of the United Nations system in promoting productive capacity, employment and decent work, the Economic and Social Council may wish to consider the following recommendations:**

(a) **The United Nations system, together with the international financial institutions, should ensure coherence between fiscal and monetary targets of macroeconomic policy and employment, social and environmental policies, as well as relevant sectoral policies. Policies for job-rich growth should be supported through innovations and technology transfers to revitalize existing industries and expand into new sectors of the economy that can create productive, skilled and properly remunerated jobs;**

(b) **The United Nations system, with ILO as lead agency, should provide support to countries aimed at promoting policies to boost domestic demand and expand participation in the global trading system to ensure a strong focus on employment levels, wages and working conditions and an equitable income distribution;**

(c) **Particular attention should be paid to incorporating the goals of full and productive employment and decent work in sectoral strategies, in particular in the areas of agriculture and food security, education, health, tourism, water and fisheries, in order to equip workers to improve productivity, start their own businesses and take up employment opportunities in other sectors;**

(d) **The United Nations system should use the relevant human rights instruments and ILO standards and recommendations to promote full and productive employment and decent work for all;**

(e) **The United Nations Development Group, together with ILO, should utilize the numerous tools and policy strategies already developed to ensure that all United Nations programming mainstream the objectives of full and productive employment and decent work;**

(f) **The United Nations system should strengthen ongoing collaboration with key partners within the framework of UNDAF processes, and in particular with ILO, to jointly implement integrated programmes to promote decent rural employment for food security, enhance rural women's economic empowerment, promote rural youth employment and prevent child labour in agriculture;**

(g) **The United Nations system should enhance the involvement of social partners in United Nations programming at the country level through the United Nations Resident Coordinator system;**

(h) **The United Nations system should support countries' efforts in building and expanding their social protection floors to build resilience and offset shifts in the labour market;**

(i) **Increased focus is needed on strengthening national statistical capacities to improve the collection, the compilation, the dissemination and the**

analysis of timely, reliable and comparable labour market information, including data disaggregated by sex, age, disability and location, and further developing indicators at the national level to measure progress in job creation and social protection coverage;

(j) Partnerships between the United Nations Secretariat, United Nations funds, programmes and agencies at the global, regional and country levels should be built and strengthened to harness the complementary expertise and experience of the United Nations system for the common goal of job creation and greater social security;

(k) Strategic partnerships with a broad range of development partners, including traditional donors, South-South and triangular cooperation providers, private companies and foundations, international and regional financial institutions, thematic funds and civil society, should be established and scaled up;

(l) Consideration should be given to the centrality of employment and social protection for broad-based human development within the context of the Millennium Development Goal Acceleration Framework and the post-2015 agenda;

(m) The Council should continue to act as a platform for discussing partnerships and their role in implementing the United Nations development agenda in all its dimensions, particularly at the Economic and Social Council coordination segment; such discussions should give strategic guidance in developing partnerships for key priority areas;

(n) A system-wide evaluation could be undertaken regarding the work of the United Nations in the area of employment and decent work, with a focus on bringing more insights concerning the relevance and effectiveness of current programming in this area.